

MONTANA LEGISLATIVE HISTORY

Chapter 345 19 81

Bill H _____ S 412 Original bill & history ____C

H. Committee on State Admin.
Taxation

Hearing Date(s) 3-18 ____C

3-19 ____C

____C

____C

Date Out 3-19 ____C

S. Committee on Taxation

Hearing Date(s) 2-20 ____C

2-21 ____C

____C

____C

2-21

Did this bill originate in an interim committee? ____Yes ____No

Committee _____

Report _____

47th

LEGISLATIVE SESSION

SENATE BILLS

COMMITTEE ON TAXATION

BILL NO.	ENTERED COMM.	DATE CONSIDERED	OUT OF COMM.	DO NOT PASS DATE	DO NOT PASS DATE	DO PASS AS AMEND. DATE	BE CON- CURRED IN DATE	BE CONC. IN AS AMENDED DATE	BE NOT CON- CURRED IN DATE
337	1-30-81	2-12-81		3-21-81					
339	1-30-81	2-13-81	Tabled	3-31-81					
344	2-02-81	2-17-81				4-04-81			
345	2-02-81	2-18-81				2-24-81			
355	2-03-81	2-16-81		3-26-81					
356	2-03-81	2-16-81				3-28-81			
358	2-03-81	2-18-81			3-06-81				
361	2-03-81	2-19-81		3-05-81					
372	2-05-81	2-19-81	Laid on the table	3-21-81					
382	2-06-81	2-18-81				3-09-81			
383	2-06-81	2-18-81		3-06-81					
384	2-09-81	2-20-81			3-21-81				
408	2-09-81	2-20-81	Tabled	3-19-81					
409	2-23-81	3-02-81				3-14-81			
412	2-10-81	2-20-81		2-21-81					
423	2-11-81	2-20-81	Tabled	3-21-81					

(Use Separate Sheet for Senate, House Bills, and Resolutions)

February 20, 1981

Sen. Mike Anderson said this bill seeks to eliminate a difficulty dealers have when moving mobile homes to their lots. If personal property taxes have not been paid for many years on the mobile home, the dealer is forced to pay them to get his mobile home back. This bill would allow a dealer to receive a sticker by paying the current year's taxes.

PROPOSERS: Ed Sheehy, Jr., Montana Manufactured Housing Association; George Swords, executive director of Manufactured Housing Association; John Johnson, Mobile Home Dealer, Manufactured Housing Association; Jack Bowles, mobile home dealer; Missoula County Treasurer, Fern Hart; and Joe Roberts, County Treasurer's Association.

Sen. Elliott asked if the sales contract didn't require that taxes be paid. He was told that we're talking about installment sales, and that is outside the scope of sales agreement. The hearing was closed on this bill. It will go into a subcommittee composed of Senators Bob Brown, Steve Grown, Crippen, and Severson.

CONSIDERATION OF SENATE BILL 412:

"AN ACT TO AUTHORIZE AND REQUIRE LICENSING BOARDS WITHIN THE DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING TO ESTABLISH FEE SCHEDULES THAT SET FEES REASONABLY COMMENSURATE WITH THE COSTS INCURRED IN ADMINISTERING THE VARIOUS PROGRAM AREAS WITHIN THEIR JURISDICTION; AND AMENDING MANY SECTIONS."

Sen. Steve Brown said this bill has to do with fees charged by professional licensing boards and changes the law in removing ceilings and statutory setting of the fees, helping reserve build-up, and taking into account travel expenses of the board. He saw the benefit that legislators don't have to come back every session just to increase fees for the board as that will be between the board and the people that regulate.

Ed Karney, Director of Board of Professional Licensing, felt only lukewarm support for the bill as it is written. He thought statements like "commensurate with costs" and "sufficient" should be dealt with more specifically. Sen. S. Brown said he could sit down and clarify the language. Sen. Goodover said he had a problem allowing boards to set fees. Sen. Elliott said there was a bill in the House that carries fees for the boards needed in this session. Sen. Brown felt the legislature will have protection in that they can come in and look at the records. The hearing was closed on Senate Bill 412.

DISPOSITION OF SENATE BILL 17:

Sen. S. Brown moved amendments to SB 17. The motion was unanimously carried. Sen. Brown then moved the bill be given a DO PASS, as amended. The motion carried unanimously.

February 21, 1981

Jan. 1, 1986, when the new market values go on, ideally commercial, residential, and industrial will be treated the same.

Jack Gribble: The values you currently see on your tax bills were created during the last valuation cycle. The only thing that will be altered is if something is done to that value. Values of 1978 continue on through. The only appraisals we will be using are either new housing or commercials that are constructed, and they will be used only until we complete re-evaluation program. At the same time we are using the 1979 manual on other properties.

The Chairman said the bill sits before us with a recommendation to DO PASS, as amended. The motion carried by a 10-3 margin, Senators McCallum, Manley and Elliott dissenting.

DISPOSITION OF SENATE BILL 15

Sen. Towe suggested that we formally strike Section 15 from Sen. Mazurek's gray bill as Sen. Mazurek had said this section was left in inadvertently during amendment. Sen. S. Brown made a motion that we strike the reference to 20-9-440 in the title and strike Section 15 from the bill and renumber subsequent sections. He said the recommendation from the subcommittee was a DO PASS, as amended. The motion carried unanimously.

Sen. Goodover said he was told that this bill had been acted upon and that the amendment was part of the action. Sen. Goodover said D. A. Davidson's proposed amendment would have been to put in the Bond Buyer's Index. He said that isn't a government document--but a commercial document with high reliability. It proposes no interest should be charged for general obligation bonds over 1 1/2% of the BBI rate at the time of issuance of bonds and that no SIDs should be sold for more than 3% over the BBI.

Sen. Crippen said he had talked to Bruce MacKenzie and he had said that if we had to do it that way, that is the way to do it. Sen. Crippen said he would prefer not to have a ceiling on. Sen. S. Brown said the law is clear that they can set the limit when the bonds are issued, and they can reject if they want. He felt they really didn't care what interest rate they pay if there is a fire and need is vital to rebuild quickly.

Sen. Elliott: In discussion of another issue on a previous day we were given a sheet of paper showing an analysis. Montana was the third lowest state on multiple bond rates. He moved that we vote the amendment as proposed. The motion to adopt the amendment supplied by D. A. Davidson lost by a 3-10 vote. The motion to pass SB 15, as amended, passed by a 12-1 margin.

DISPOSITION OF SENATE BILL 412:

Sen. S. Brown mentioned that SB 412 needed a statement of intent.

Sen. Norman had a comment on the statement of intent saying some boards have a very small membership. One of the problems is if one of the people who

are licensed commits some indiscretion and the board wants to do something about it, that could be costly. Does the statement of intent contemplate that and what action will the board take?

S. Brown said this sets fee to set a reserve where you might have to pay a lawyer, but he sees a lot of disparity. He said the nurses have \$130,000 in reserve. The only alternative would be to have a general fund pot somewhere.

Sen. Goodover said there is no demand by the membership for this increase. It is requested by the bureaucrats on the board. They want to set up the fees for traveling, attending seminars, etc. He didn't like giving the boards the ability to set fees.

Sen. S. Brown said even though they set their fees they have to come back to us and get it appropriated. P&O has had a tough time getting money because of "emergency" stipulation. They had one disciplinary proceeding--got up against their limit, and it was concluded that just coming to a meeting wasn't an emergency. He further said it was a line-item budget.

It was mentioned that there was a motion before the committee on the statement of intent. Sen. Steve Brown moved the statement of intent be affixed to the bill.

Sen. Goodover made a substitute motion that we reconsider action taken yesterday in passing SB 412.

Sen. Towe to Sen. S. Brown: Bill 412 is recommended by the Audit Committee and takes out specific provision which now provides for fees of \$25, \$50, whatever, and says the board may set its own fee. The limitation is that they have to come to the legislature?

S. Brown answered that they set the fee but the legislature determines whether they need it or not.

Sen. Goodover to S. Brown: Your bill already has passed higher expenses for all the people on the boards. That will give them additional money for travel. On top of that, they can still ask for more money from their members.

Sen. S. Brown: It is an earmarked fund--they can't go any way except by budget amendment. About the \$40 increase--if the board can't afford to pay their members \$40 a day, they will come in and ask us to raise their fee. My feeling is that we have enough check on it through legislative process. If you increase money spent on those boards, they will have to address it to their members.

Sen. Towe to S. Brown: How is it we know they won't increase the fee and come in the next session and say "We have all this money, let's use it."

Sen. Brown said boards building up big reserves have not been authorized to spend it in the past.

February 21, 1981

Sen. Goodover said we should tell them to go to their members and ask for the money.

Sen. Norman said the Board of Chiropractors have two dozen members. When you consider rental of office space, travel, litigation, and programs I don't see how those boards are going to be restrained from increasing their fees if they are going to have a functioning board.

Sen. Elliott: There are a few of us professionals governed by boards. The point I made yesterday was that our boards are controlled by a very select group of people and you don't have a true democratic process regarding fees and membership. I would speak against the bill, because I think we have a little more protection.

Sen. Eck wondered if it is by rule when they raise their fees. They have to have a hearing. Her feeling is when the boards were set up we put them in the law but didn't really intend to have to deal with them. She thought there were two places they could go--to the hearing and the appropriations hearing.

Sen. Elliott stated the board members are appointed by the Governor, and are a lot of non-professional people on the boards. He wasn't aware they had to adopt that by rule and he said it made it easier for him to accept the bill.

The substitute motion that SB 412 DO NOT PASS, with the statement of intent included--that neither be adopted--was put to a vote. The motion failed by a 5 to 8 vote. The motion was made to reverse the vote and give SB 412 a DO PASS, with the statement of intent attached. This motion carried by an 8 to 5 vote.

The meeting was adjourned at 10:00 a.m.


PAT M. GOODOVER, CHAIRMAN

STATE COMMITTEE REPORT

February 21

81

19.....

PRESIDENT:

MR.

TAXATION

We, your committee on

Senate

412

having had under consideration Bill No.

Senate

412

Respectfully report as follows: That..... Bill No.

(STATEMENT OF INTENT ATTACHED)

DO PASS

It is the intent of the Legislature that fees set by licensing boards be reasonably related to the costs of the respective programs. "Programs" of the licensing boards are intended to be such areas of responsibility as applications, examinations, renewals, and reciprocity. "Reasonably related" is intended to mean that the department generally break down the costs associated with the various programs and set each fee at a level to cover these costs and the costs of maintaining the ongoing operations of the board. "Reasonably related" does not mean the department is required to maintain an exact system of actual costs, but rather means the department should generally allocate costs of the program equitably among the various fee categories.

First adopted by the Senate Taxation Committee on the 21st day of February, 1981.

P.A.

PAT M. GOODOVER,

Chairman.

STANDING COMMITTEE REPORT

February 21 81

19.....

PRESIDENT:

MR.

TAXATION

We, your committee on

Statement of Intent, Senate

412

having had under consideration Bill No.

Statement of Intent, Senate

412

Respectfully report as follows: That..... Bill No.

be adopted.

STATEMENT OF INTENT RE: SB 412

A statement of intent is required for Senate Bill 412 because it grants licensing boards within the Department of Professional and Occupational Licensing the authority to set fees.

Presently fees charged by most licensing boards are set by law. Wherever changed circumstances require a change in fees legislation is required. Each session several bills are introduced to modify board fees. By allowing boards to set their own fees, flexibility is provide the boards to meet changing circumstances. At the present time, fees set by law are not based upon actual costs incurred by licensing boards in carrying out their various functions.

XXXXXX
DO PASS

(CONTINUED)

P.A.

Chairman.

SENATE BILL 217-SPONSOR, Senator Brown, introduced this bill at the request of the Legislative Audit Committee. This bill revises the provisions relating to the Department of Professional and Occupational Licensing. It requires the Department to assess the costs of the Department to the licensing boards on an equitable basis and to adopt standardized application, license, and other forms used by the boards. The bill also requires all applicants for licensure or renewal to report to the board any legal or disciplinary actions against them relating to their profession. In addition, the Department is required to prepare a biennial report summarizing each board's activities. Section 4 which deals with this section, is important, he stated, because next session the audit committee will recommend doing away with the automatic six year review. With this biennial report the Audit Committee can make value judgements.

PROPOSERS

There were no other proposers present.

• OPPOSERS

There were no proposers present to testify on SB 217.

QUESTIONS BY THE COMMITTEE

Sales: Is a biennial report necessary?

Brown: Since the session meets biannually we will receive these reports while we are in session and be able to review them and if necessary make recommendations at that time.

Senator Brown closed the hearing on Senate Bill 217.

SENATE BILL 412-SPONSOR, Senator Steve Brown, introduced this bill requested by the Legislative Audit Committee which requires all licensing boards within the Department of Professional and Occupational Licensing to set fees reasonably related to the costs incurred in administering the program areas within their jurisdiction such as fees for application, examination, renewal, reciprocity, late renewal, and continuing education. Senator Brown said that one reason this bill is being proposed is because there is a real question as to whether or not the legislature has the necessary knowledge to set these fees. This

SB 412 (cont.)

is something that should be negotiated between the board and the professions and occupations involved. Senator Brown also said that this is one way to cut down on the number of bills considered each session.

PROPOSERS

There were no other proposers testifying.

OPPOSERS

There were none present.

QUESTIONS BY THE COMMITTEE

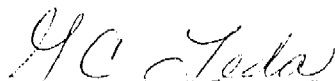
Sales: There have been some problems in the past concerning the realtors license. This could be a real issue.

Brown: That was Senator Goodover's argument concerning this bill. I do not think as a legislator I have the authority to set these fees. This is a decision that should be between the realtors and the board.

Senator Brown closed the hearing on SB 412.

A motion was made to adjourn at 9:45 a.m.

Respectfully submitted,


G. C. "JERRY" FEDA, Chairman

Cathy Martin-Secretary



EXECUTIVE SESSION (cont.)

SENATE BILL 412

BE CONCURRED IN

Representative Mueller moved that SB 412 BE CONCURRED IN. A vote was taken and carried with 15 YES, 1 NO and 2 members absent. Representative Kropp voted no and Representative Spilker abstained.

Representative McBride was assigned to carry SB 412.

SENATE JOINT RESOLUTION 8 -

BE CONCURRED IN
AS AMENDED

Representative McBride said that the study should include all of the departments.

Representative Spilker said that in her opinion if she had to choose one area to study it would be the Departments of Fish, Wildlife and Parks.

Representative Smith made a BE NOT CONCURRED motion.

Representative Dussault proposed an amendment that would strike section 5 in its entirety. She said the reason for this is because she thinks this study should be directed to the Interim Finance Committee, especially the part that addresses the Coal Board.

A vote was taken on the motion to amend and carried unanimously.

Representative Spilker made a substitute motion that SJR 8 BE CONCURRED IN AS AMENDED.

A vote was taken and carried with 14 YES, 2 NO and 3 members absent. Representatives McBride and Smith voted no.

Representative Spilker was assigned to carry SJR 8 in the House.

SENATE BILL 64

BE CONCURRED IN

Representative Mueller made a motion that SB 64 BE CONCURRED IN. Following Discussion a vote was taken and carried with 12 YES, 5 NO and 2 absent. Representatives Kennerly, Pistoria, McBride, Dussault, and Azzara voted no.

Representative Sales was assigned to carry SB 64 in the House.